

CITY OF FARGO EMPLOYEES PENSION PLAN
INVESTMENT PERFORMANCE REPORT AS OF JANUARY 31, 2008

	January-08				December-07				Current	Prior Year	3 Years	5 Years
	Market Value	Allocation	Policy	Month	Market Value	Allocation	Policy	Quarter	Fiscal YTD	FY07	Ended	Ended
				Net ROR				Net ROR	(1)		6/30/2007	6/30/2007
									Net ROR	Net ROR	Net ROR	Net ROR
LARGE CAP DOMESTIC EQUITY												
Structured Growth												
LA Capital	1,171,387	3.8%	4.1%	-9.30%	1,291,207	4.1%	4.1%	N/A	N/A	N/A	N/A	N/A
Total Structured Growth	1,171,387	3.8%	4.1%	-9.30%	1,291,207	4.1%	4.1%	N/A	N/A	N/A	N/A	N/A
Russell 1000 Growth				-7.80%				N/A	N/A	N/A	N/A	N/A
Structured Value												
LSV	1,334,543	4.3%	4.5%	-3.65%	1,384,627	4.4%	4.5%	N/A	N/A	N/A	N/A	N/A
Russell 1000 Value				-4.01%				N/A	N/A	N/A	N/A	N/A
Enhanced Russell 1000 Index												
LA Capital	1,114,495	3.6%	3.8%	-7.96%	1,210,650	3.8%	3.8%	N/A	N/A	N/A	N/A	N/A
Russell 1000				-6.00%				N/A	N/A	N/A	N/A	N/A
Enhanced S&P 500 Index												
Northern Trust	872,310	2.8%	3.0%	-6.39%	931,651	3.0%	3.0%	N/A	N/A	N/A	N/A	N/A
Westridge	1,129,730	3.7%	3.9%	-5.91%	1,200,378	3.8%	3.9%	N/A	N/A	N/A	N/A	N/A
Wells Capital	813,569	2.6%	3.0%	-14.25%	946,957	3.0%	3.0%	N/A	N/A	N/A	N/A	N/A
European Credit Management	392,509	1.3%	1.4%	-9.31%	432,797	1.4%	1.4%	N/A	N/A	N/A	N/A	N/A
Franklin	815,660	2.6%	3.0%	-6.36%	870,498	2.8%	3.0%	N/A	N/A	N/A	N/A	N/A
Total Enhanced S&P 500 Index	4,023,777	13.1%	14.3%	-8.24%	4,382,280	13.9%	14.3%	N/A	N/A	N/A	N/A	N/A
S&P 500				-6.00%				N/A	N/A	N/A	N/A	N/A
Absolute Return Strategy												
Epoch	405,655	1.3%	1.4%	-4.28%	423,036	1.3%	1.4%	N/A	N/A	N/A	N/A	N/A
S&P 500				-6.00%				N/A	N/A	N/A	N/A	N/A
S&P 500 Index												
State Street	559,811	1.8%	2.1%	-7.01%	601,623	1.9%	2.1%	N/A	N/A	N/A	N/A	N/A
S&P 500				-6.00%				N/A	N/A	N/A	N/A	N/A
TOTAL LARGE CAP DOMESTIC EQUITY	8,609,667	28.0%	30.0%	-7.41%	9,293,424	29.5%	30.0%	N/A	N/A	N/A	N/A	N/A
S&P 500				-6.00%				N/A	N/A	N/A	N/A	N/A
SMALL CAP DOMESTIC EQUITY												
Manager-of-Managers												
SEI	2,132,872	6.9%	7.2%	-8.32%	2,160,091	6.9%	7.2%	N/A	N/A	N/A	N/A	N/A
Russell 2000 + 200bp				-6.65%				N/A	N/A	N/A	N/A	N/A
Callan	873,850	2.8%	2.8%	-7.52%	924,815	2.9%	2.8%	N/A	N/A	N/A	N/A	N/A
Russell 2000				-6.82%				N/A	N/A	N/A	N/A	N/A
TOTAL SMALL CAP DOMESTIC EQUITY	3,006,722	9.8%	10.0%	-8.08%	3,084,906	9.8%	10.0%	N/A	N/A	N/A	N/A	N/A
Russell 2000				-6.82%				N/A	N/A	N/A	N/A	N/A
INTERNATIONAL EQUITY												
Large Cap - Core												
State Street	294,222	1.0%	1.0%	-9.31%	317,411	1.0%	1.0%	N/A	N/A	N/A	N/A	N/A
MSCI EAFE				-9.24%				N/A	N/A	N/A	N/A	N/A
Large Cap - Active												
Capital Guardian	902,928	2.9%	3.0%	-9.27%	976,320	3.1%	3.0%	N/A	N/A	N/A	N/A	N/A
LSV	833,326	2.7%	3.0%	-10.31%	909,080	2.9%	3.0%	N/A	N/A	N/A	N/A	N/A
Bank of Ireland	267,067	0.9%	1.0%	-10.79%	292,876	0.9%	1.0%	N/A	N/A	N/A	N/A	N/A
Total Large Cap - Active	2,003,321	6.5%	7.0%	-9.91%	2,178,276	6.9%	7.0%	N/A	N/A	N/A	N/A	N/A
MSCI EAFE - 50% Hedged				-10.14%				N/A	N/A	N/A	N/A	N/A
Small Cap - Active												
Lazard	79	0.0%	0.0%	N/A	94	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
DFA	267,766	0.9%	1.0%	-6.60%	280,657	0.9%	1.0%	N/A	N/A	N/A	N/A	N/A
Wellington	285,039	0.9%	1.0%	-11.37%	314,462	1.0%	1.0%	N/A	N/A	N/A	N/A	N/A
Total Small Cap - Active	552,884	1.8%	2.0%	-9.12%	595,213	1.9%	2.0%	N/A	N/A	N/A	N/A	N/A
Citigroup Broad Market Index < \$2BN				-9.70%				N/A	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL EQUITY	2,850,426	9.3%	10.0%	-9.69%	3,090,900	9.8%	10.0%	N/A	N/A	N/A	N/A	N/A
MSCI EAFE - 50% Hedged				-10.14%				N/A	N/A	N/A	N/A	N/A
EMERGING MARKETS EQUITY												
Core												
JP Morgan	244,837	0.8%	0.9%	-10.45%	273,202	0.9%	0.9%	N/A	N/A	N/A	N/A	N/A
PanAgora	234,071	0.8%	0.9%	-12.26%	266,600	0.8%	0.9%	N/A	N/A	N/A	N/A	N/A
WestLB	239,299	0.8%	0.9%	-11.79%	270,265	0.9%	0.9%	N/A	N/A	N/A	N/A	N/A
UBS	352,239	1.1%	1.5%	-11.65%	398,385	1.3%	1.5%	N/A	N/A	N/A	N/A	N/A
Total Core	1,070,445	3.5%	4.1%	-11.54%	1,208,451	3.8%	4.1%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets				-12.45%				N/A	N/A	N/A	N/A	N/A
Small Cap												
DFA	233,037	0.8%	1.0%	-12.06%	264,992	0.8%	1.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets				-12.45%				N/A	N/A	N/A	N/A	N/A
Private Equity												
Capital International	29,442	0.1%	0.1%	0.00%	29,442	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets								N/A	N/A	N/A	N/A	N/A
TOTAL EMERGING MARKETS EQUITY	1,332,924	4.3%	5.0%	-11.41%	1,502,885	4.8%	5.0%	N/A	N/A	N/A	N/A	N/A
MSCI Emerging Markets				-12.45%				N/A	N/A	N/A	N/A	N/A
DOMESTIC FIXED INCOME												
Core Bond												
Western Asset	757,692	2.5%	2.1%	1.98%	732,245	2.3%	2.2%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.68%				N/A	N/A	N/A	N/A	N/A
Index												
Bank of ND	1,111,466	3.6%	3.2%	2.17%	1,502,776	4.8%	6.0%	N/A	N/A	N/A	N/A	N/A
Total Index	1,111,466	3.6%	3.2%	2.17%	1,502,776	4.8%	6.0%	N/A	N/A	N/A	N/A	N/A
Lehman Gov/Credit				1.90%				N/A	N/A	N/A	N/A	N/A
Enhanced												
Westridge	493,745	1.6%	1.6%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate												
Convertibles												
Calamos	695,296	2.3%	2.1%	-4.31%	716,016	2.3%	2.2%	N/A	N/A	N/A	N/A	N/A
Total Convertibles	695,296	2.3%	2.1%	-4.31%	716,016	2.3%	2.2%	N/A	N/A	N/A	N/A	N/A
Merrill Lynch All Convertibles				-1.91%				N/A	N/A	N/A	N/A	N/A
BBB Average Quality												
Wells Capital	753,431	2.4%	2.1%	1.14%	733,814	2.3%	2.2%	N/A	N/A	N/A	N/A	N/A
Lehman BBB				0.38%				N/A	N/A	N/A	N/A	N/A
Private Debt												
Prudential	783,073	2.5%	2.1%	0.94%	764,458	2.4%	2.2%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.68%				N/A	N/A	N/A	N/A	N/A

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	Allocation	Month			Allocation	Quarter			Fiscal YTD	FY07	Ended	Ended
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	(1) Net ROR	Net ROR	6/30/2007 Net ROR	6/30/2007 Net ROR
Timberland												
TIR - Teredo	742,537	2.4%	2.4%	19.49%	692,298	2.2%	2.2%	N/A	N/A	N/A	N/A	N/A
TIR - Springbank	1,597,651	5.2%	5.2%	5.66%	1,318,101	4.2%	4.2%	N/A	N/A	N/A	N/A	N/A
Total Timberland	2,340,187	7.6%	7.6%	10.42%	2,010,398	6.4%	6.4%	N/A	N/A	N/A	N/A	N/A
NCREIF Timberland Index				3.03%				N/A	N/A	N/A	N/A	N/A
Infrastructure												
JP Morgan	948,227	3.1%	3.1%	-0.86%	940,428	3.0%	3.0%	N/A	N/A	N/A	N/A	N/A
TOTAL DOMESTIC FIXED INCOME	7,883,117	25.6%	24.0%	3.15%	7,400,136	23.5%	24.0%	N/A	N/A	N/A	N/A	N/A
Lehman Aggregate				1.68%				N/A	N/A	N/A	N/A	N/A
HIGH YIELD BONDS												
Core												
Loomis Sayles	754,504	2.5%	2.2%	-0.75%	722,729	2.3%	2.3%	N/A	N/A	N/A	N/A	N/A
Sutter/Wells Capital	639,996	2.1%	2.2%	-5.45%	642,278	2.0%	2.3%	N/A	N/A	N/A	N/A	N/A
Total Core	1,394,500	4.5%	4.5%	-2.96%	1,365,007	4.3%	4.6%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				-1.53%				N/A	N/A	N/A	N/A	N/A
Mezzanine Debt												
Goldman Sachs 2006 Fund	34,355	0.1%	0.1%	0.00%	32,697	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
Goldman Sachs Fund V	27,752	0.1%	0.1%	0.00%	26,413	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
TCW	56,668	0.2%	0.2%	-0.59%	54,255	0.2%	0.2%	N/A	N/A	N/A	N/A	N/A
Total Mezzanine Debt	118,774	0.4%	0.4%	-0.28%	113,364	0.4%	0.4%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				-1.53%				N/A	N/A	N/A	N/A	N/A
Distressed Mortgages												
PIMCO	40,277	0.1%	0.1%	0.00%	18,866	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
Declaration Management	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
Total Distressed Mortgages	40,277	0.1%	0.1%	0.00%	18,866	0.1%	0.1%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				-1.53%				N/A	N/A	N/A	N/A	N/A
TOTAL HIGH YIELD BONDS	1,553,551	5.0%	5.0%	-2.72%	1,497,238	4.8%	5.0%	N/A	N/A	N/A	N/A	N/A
LB High Yield 2% Issuer Constrained Index				-1.53%				N/A	N/A	N/A	N/A	N/A
INTERNATIONAL FIXED INCOME												
International Sovereign												
UBS Global (Brinson)	801,214	2.6%	2.5%	4.06%	757,819	2.4%	2.5%	N/A	N/A	N/A	N/A	N/A
Citigroup Non-US Gov't Bond Index				3.99%				N/A	N/A	N/A	N/A	N/A
International Core												
Brandywine	814,374	2.6%	2.5%	1.03%	792,424	2.5%	2.5%	N/A	N/A	N/A	N/A	N/A
Lehman Global Aggregate (ex-US)				3.39%				N/A	N/A	N/A	N/A	N/A
TOTAL INTERNATIONAL FIXED INCOME	1,615,588	5.2%	5.0%	2.51%	1,550,243	4.9%	5.0%	N/A	N/A	N/A	N/A	N/A
Citigroup Non-US Gov't Bond Index				3.99%				N/A	N/A	N/A	N/A	N/A
REAL ESTATE												
INVESCO - Core	669,102			-3.39%	673,173			N/A	N/A	N/A	N/A	N/A
INVESCO - Fund II	19,344			-14.90%	22,095			N/A	N/A	N/A	N/A	N/A
J.P. Morgan Strategic & Special Funds	711,153			0.17%	698,621			N/A	N/A	N/A	N/A	N/A
J.P. Morgan Alternative Property Fund	163,712			0.00%	159,128			N/A	N/A	N/A	N/A	N/A
J.P. Morgan Greater China Property Fund	11,085			N/A				N/A	N/A	N/A	N/A	N/A
TOTAL REAL ESTATE	1,574,396	5.1%	5.0%	-1.60%	1,553,018	4.9%	5.0%	N/A	N/A	N/A	N/A	N/A
NCREIF TOTAL INDEX				1.06%				N/A	N/A	N/A	N/A	N/A
ALTERNATIVE INVESTMENTS												
Coral Partners V	62,252			0.00%	62,272			N/A	N/A	N/A	N/A	N/A
Coral Partners V - Supplemental	7,495			0.00%	7,450			N/A	N/A	N/A	N/A	N/A
Coral Momentum Fund (Formerly Fund VI)	137,801			0.00%	149,290			N/A	N/A	N/A	N/A	N/A
Brinson 1998 Partnership Fund	14,349			0.00%	14,121			N/A	N/A	N/A	N/A	N/A
Brinson 1999 Partnership Fund	28,535			0.00%	28,081			N/A	N/A	N/A	N/A	N/A
Brinson 2000 Partnership Fund	105,964			0.00%	104,280			N/A	N/A	N/A	N/A	N/A
Brinson 2001 Partnership Fund	76,919			0.00%	75,697			N/A	N/A	N/A	N/A	N/A
Brinson 2002 Partnership Fund	40,113			0.00%	39,475			N/A	N/A	N/A	N/A	N/A
Brinson 2003 Partnership Fund	15,072			0.00%	14,833			N/A	N/A	N/A	N/A	N/A
Total Brinson Partnership Funds	280,951			0.00%	276,488			N/A	N/A	N/A	N/A	N/A
Brinson 1999 Non-US Partnership Fund	11,319			0.00%	13,478			N/A	N/A	N/A	N/A	N/A
Brinson 2000 Non-US Partnership Fund	26,146			0.00%	36,899			N/A	N/A	N/A	N/A	N/A
Brinson 2001 Non-US Partnership Fund	22,416			0.00%	24,538			N/A	N/A	N/A	N/A	N/A
Brinson 2002 Non-US Partnership Fund	55,333			0.00%	54,455			N/A	N/A	N/A	N/A	N/A
Brinson 2003 Non-US Partnership Fund	49,349			0.00%	48,565			N/A	N/A	N/A	N/A	N/A
Brinson 2004 Non-US Partnership Fund	19,815			0.00%	19,501			N/A	N/A	N/A	N/A	N/A
Total Brinson Non-US Partnership Fund	184,378			0.00%	197,434			N/A	N/A	N/A	N/A	N/A
Adams Street 2008 Non-US Partnership Fd	830			N/A	-			N/A	N/A	N/A	N/A	N/A
Brinson BVCF IV	152,673			0.00%	150,225			N/A	N/A	N/A	N/A	N/A
Adams Street Direct Co-Investment Fund	122,370			0.00%	120,427			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities	64,825			0.00%	63,796			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities II	286,367			0.00%	281,818			N/A	N/A	N/A	N/A	N/A
Matlin Patterson Global Opportunities III	50,048			0.00%	29,653			N/A	N/A	N/A	N/A	N/A
InvestAmerica	60,991			0.00%	60,022			N/A	N/A	N/A	N/A	N/A
Hearthstone MSII	623			0.00%	513			N/A	N/A	N/A	N/A	N/A
Hearthstone MSIII	26,919			0.00%	21,256			N/A	N/A	N/A	N/A	N/A
Corsair III	84,439			0.00%	79,941			N/A	N/A	N/A	N/A	N/A
Quantum Resources	34,950			0.00%	34,395			N/A	N/A	N/A	N/A	N/A
Quantum Energy Partners	15,896			0.00%	15,643			N/A	N/A	N/A	N/A	N/A
TOTAL ALTERNATIVE INVESTMENTS (2)	1,573,809	5.1%	5.0%	0.00%	1,550,723	4.9%	5.0%	N/A	N/A	N/A	N/A	N/A
CASH EQUIVALENTS												
Northern Trust STIF/STEP	787,753	2.6%	1.0%	0.16%	982,075	3.1%	1.0%	N/A	N/A	N/A	N/A	N/A
90 Day T-Bill				0.50%				N/A	N/A	N/A	N/A	N/A
TOTAL FUND	30,787,954	100.0%	100.0%	-3.81%	31,505,547	100.0%	100.0%	N/A	N/A	N/A	N/A	N/A
POLICY TARGET BENCHMARK				-3.53%				N/A	N/A	N/A	N/A	N/A

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) Initial funding with State Investment Board on December 28, 2007.

(2) Because of the variation in fee calculations in Alternative Investments, only net returns will be shown until June of each year when actual costs are known.